

From Your Commissioner of the Revenue

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There are a number of **important filing deadlines** coming up for 2005:

April 1	Tax Relief for the Elderly & Disabled
May 1	Personal Property
May 1	Business Personal Property and Machinery & Tools
May 1	Virginia Income Tax (2004 tax year)
May 1	High Mileage (as of January 1) documentation
November 1	Land Use Program (new enrollment effective for the following tax year)

According to Culpeper County Code Section 12-2, “Every person owning personal property subject to taxation by the County shall file a return with the Commissioner of Revenue declaring the same on or before the first day of May in the year in which such property is subject to taxation by the County. For failure to file such return on or before such day the Commissioner of Revenue shall assess a penalty of ten percent (10%) of the amount of the tax otherwise assessed or two dollars (\$2.00), whichever is greater. Such penalty for late filing shall be due and payable at the time that the tax assessed is due and payable”.

Please remember that if you file your Return of Tangible Personal Property by May 1, you may avoid the 10% late filing penalty. If you believe your vehicle may qualify for an assessment adjustment based on high mileage, please submit third party documentation (i.e. inspection receipt or service center receipt clearly showing vehicle owner, vehicle identification number and odometer reading on or before January 1) to the Commissioner's office by the May 1 filing deadline. Cars, light trucks and motorcycles are assessed using the Trade-In Value from the January issue of the National Automobile Dealer Association (NADA) guide. An assessment adjustment for mileage will be calculated using the mileage Table included in the January issue of NADA.

Also, when you file please be sure to indicate whether your vehicle is used primarily for personal or business use. In order to comply with the Personal Property Tax Relief Act (PPTRA) it is very important for taxpayers to report the use of their vehicle each year to the Commissioner of the Revenue's Office. One method to help you decide is when you file your Federal Income Tax Return, ask yourself these questions:

- Do you claim a depreciation expense (IRS Schedule C, E, F, form 4562 or Sec 179) for your vehicle?
- Do you claim actual expenses (gas, oil, repairs) you incurred for your vehicle?
- Do you claim an expense for mileage where you used your vehicle for business purposes?
- Do you claim non-reimbursed employee expenses for use of your vehicle (Form 2106)?
- Does your employer reimburse you for use of your vehicle (shown as income on W-2)?

If you answer YES to any of these questions, your motor vehicle is considered by State Law as used for business and does NOT qualify for Car Tax Relief. Please be advised that in the case of an erroneous assessment, a correction must be made for the current tax year plus three previous years. Some of you may be receiving letters asking for more information and/or supplemental tax bills because of the 2003 PPTR Compliance Act. When you file your Virginia Income Tax return locally, we must review your return for Federal schedules supporting vehicle use. For those of you who file directly with the Department of Taxation, either by paper or electronically, the Department sends that data back to the localities for

review.

Basically, the Commonwealth will not allow us to receive relief from Income Tax (by reducing taxable income for vehicle related expenses) AND from Local Personal Property Tax for the same vehicle. Therefore, compliance with the Code of Virginia may result in supplemental personal property tax bills. You can help ensure the fair and accurate assessment of your vehicle by marking the appropriate boxes on the joint Return of Personal Property and Decal Application. Even if you do not need a vehicle decal, please return the form completely filled out. You may also help by completing ALL lines associated with vehicle use when filling your Federal Income Tax Return. If you use a preparer, please make sure all lines are completely filled in, especially when claiming mileage. Make sure the lines for business, personal and commuting are all filled in. If mileage is filled in for business use only, your vehicle will be considered disqualified for tax relief, because of 100% business use.

TIP FOR THE DAY: If you receive any document from the Commissioner of the Revenue's (or Treasurer's) office relating to a vehicle that you did not own as of January 1, please do not discard. We receive most of our January 1st vehicle ownership data from the Division of Motor Vehicles (DMV). You will need to contact DMV at 1-866-368-5463 and provide disposal information. After you have notified DMV, please contact this office to request the vehicle data be updated and/or removed from assessment records. If we do not receive any correspondence from you, an assessment will be made, and a personal property tax bill will be generated. Please be advised that when a vehicle is sold, traded, junked, totaled, repossessed or gifted, you must fill out the back of the registration form and send to DMV as soon as possible (within 30 days as required by State law). This will help avoid the possibility of being assessed for a vehicle that you did not own on January 1.

Now for a Real Estate update. You may recall that the Culpeper County Board of Supervisors enacted an ordinance effective January 1, 2003, which allows for the assessment and taxation of newly constructed buildings on a pro-rated, calendar year basis. Effective January 1, 2004, the Town of Culpeper Council adopted this same ordinance.

In addition to assessments based on a percentage complete as of January 1 of each year, newly constructed buildings are assessed and taxes are levied on a pro-rated basis determined by the number of months following either the issuance of a certificate of occupancy for the building, or the building is considered fit for use. For new construction located within the town limits, the Town of Culpeper, as well as the County of Culpeper, will generate a pro-rated real estate tax bill.

Along with this ordinance, the Board of Supervisors also enacted the ordinance, effective January 1, 2003, which allows for a pro-rated abatement of taxes for buildings razed, destroyed or damaged by fortuitous happenings. Effective January 1, 2004, the Town of Culpeper Council enacted this same ordinance.

If you have any questions or you need any assistance, please call your Commissioner of the Revenue's office at 540-727-3443 or email me at tyowell@culpepercounty.gov

I hope 2005 will be a safe and healthy year for you and your family!